

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WAGGONER OIL COMPANY, INC.

COMPLAINANT

v.

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

DEFENDANT

CASE NO. 93-405

ORDER TO SATISFY OR ANSWER

Grayson Rural Electric Cooperative Corporation ("Grayson RECC") is hereby notified that it has been named as defendant in a formal complaint filed on October 29, 1993, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, Grayson RECC is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 12th day of November, 1993.

ATTEST:

Don Mills
Executive Director

PUBLIC SERVICE COMMISSION

Sam E. I. Cook
Chairman

Raher M. Davis
Vice Chairman

Linda K. Forehand
Commissioner

RECEIVED

OCT 29 1993

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE
COMMISSION

CASE NO. _____

WAGGONER OIL COMPANY, INC.
P.O. Box 545
Olive Hill, Kentucky 41164

COMPLAINANT

VS.

CASE NO. 93-405

GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION
109 Bagby Park
Grayson, Kentucky 41143-1292

DEFENDANT

COMPLAINT

The Complaint of Waggoner Oil Company, Inc. respectfully
shows:

1. That Waggoner Oil Company, Inc., operates a Food
Mart, at P.O. Box 545, Olive Hill, Kentucky 41164.

2. That Grayson Rural Electric Cooperative Corporation,
is an Electrical Co-operative whose address is 109 Bagby Park,
Grayson, Kentucky 41143-1292.

3. That the Complainant for its complaint states as
follows:

A. That the Complainant has received electrical service
from the Defendant herein from October 18, 1990, through the
present.

B. That on October 1, 1993, the Defendant herein notified the Complainant that it was alleging that the Complainant had been under billed in the amount of \$39,361.22 covering a period from October 18, 1990, through September of 1993. A copy of the alleged underbilling is attached hereto and marked "Exhibit A" for identity.

C. On October 20, 1993, the Defendant wrote to the Complainant herein a letter, which is attached hereto as "Exhibit B" for identity, demanding the repayment of this alleged underbilling and demanding the execution of a contract for the repayment of the underbilling, which contract is attached hereto as "Exhibit C" for identity. The Complainant was informed its electrical service would be terminated unless it signed the contract. The Defendant further notified the Complainant that in the future that the billing of this Complainant would be approximately double the previous billing plus the monthly payment of the alleged arrearage which would bring the total payment of this Complainant to somewhere around \$4,000.00 per month.

D. That the Complainant is unable to pay this amount and that it is inequitable to require it to do so because of the failure of the Defendant to properly monitor its electrical service.

E. That it should be determined whether in fact electrical service as alleged by the Defendant was used by the Complainant. That in connection therewith a period of time should be monitored as to the use of the Complainant to determine what the

average use of the Complainant is and compare the same to the alleged amounts used.

F. That the Defendant should be enjoined and prevented from requiring the Complainant to execute the contract required by the Defendant herein to continue service, until such time as it is determined whether in fact the Complainant does owe any amounts of money and as to what the correct billing should be.

G. That if the Complainant is required to enter into said agreement it will be unable to continue in business and will suffer irreparable harm as a result thereof. If the Defendant is required to delay the enforcement of its demands it will suffer no harm as it will still have available to it all legal remedies for the collections of any owed monies.

WHEREFORE, the Complainant prays that a determination be made as to whether or not the Complainant in fact owes any monies to the Defendant herein and the Defendant be enjoined and prohibited from enforcing the collection of any alleged arrearages or the termination of service to the Complainant until such time as a determination can be made by the Public Service Commission.

STRATTON, MAY & HAYS, PSC
P.O. Box 851
Pikeville, Kentucky 41502
Telephone: (606) 437-7300
FAX: (606) 437-7569


BY: 

Marrs Allen May

Attorneys for Complainant

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing was this
28th day of October, 1993, mailed first class, postage
prepaid, to the following: Grayson Rural Electric Cooperative
Corporation, 109 Bagby Park, Grayson, Kentucky 41143.


Mays Allen May

WAGGONER OIL CO., INC.

Charles G. Greenhill

Acct. 1500045504

WAGGONER OIL CO., INC.

Charles G. Greenhill

Acct. 1500045504

Multiplier = 80

kWh =

10/18/90-5/1/91 ----- 0.06273

5/1/91-5/1/93 ----- 0.06332

5/1/93-PRESENT ----- 0.06298

	KWh READING	CALC KWh USAGE	KWh CHARGE	FUEL UNDER- CHARGE	BOHCOOL TAX 3%	SALES TAX 6%	TOTAL UNDER- CHARGE
OCT 18 '90	0	6400	\$401.47	\$3.88	\$12.16	\$25.05	\$442.58
NOV	80	8800	\$552.02	\$2.34	\$16.63	\$34.28	\$605.25
DEC	180	8840	\$418.53	(\$1.12)	\$12.48	\$25.87	\$453.54
JAN '91	273	14320	\$898.29	(\$1.17)	\$26.91	\$55.44	\$979.47
FEB	452	12640	\$792.91	(\$2.24)	\$23.72	\$48.88	\$863.25
MAR	610	12880	\$807.98	(\$3.40)	\$24.14	\$49.72	\$878.42
APR	771	14320	\$898.29	(\$1.92)	\$26.89	\$55.40	\$978.66
MAY	950	16240	\$1,028.32	(\$11.42)	\$30.51	\$62.84	\$1,110.25
JUN	1153	14000	\$868.48	(\$6.22)	\$26.35	\$54.28	\$956.89
JUL	1328	18000	\$1,013.12	(\$7.71)	\$30.16	\$62.13	\$1,097.70
AUG	1528	18800	\$1,190.42	(\$6.35)	\$35.52	\$73.18	\$1,292.77
SEP	1783	15520	\$982.73	(\$9.67)	\$29.19	\$60.14	\$1,082.39
OCT	1957	17040	\$1,078.97	(\$16.68)	\$31.67	\$65.65	\$1,159.61
NOV	2170	19760	\$1,251.20	(\$20.22)	\$36.75	\$75.70	\$1,337.43
DEC	2417	18640	\$1,180.28	(\$7.57)	\$35.18	\$72.47	\$1,280.38
JAN '92	2850	22480	\$1,423.43	(\$24.01)	\$41.88	\$88.48	\$1,527.88
FEB	2931	15760	\$997.92	(\$20.91)	\$29.31	\$60.36	\$1,088.70
MAR	3128	20560	\$1,301.86	(\$28.17)	\$38.21	\$78.71	\$1,390.61
APR	3385	18400	\$1,038.45	(\$23.62)	\$30.44	\$62.72	\$1,107.99
MAY	3590	20960	\$1,327.19	(\$37.37)	\$38.69	\$79.71	\$1,406.22
JUN	3852	14640	\$927.00	(\$15.24)	\$27.35	\$56.95	\$995.48
JUL	4035	19120	\$1,210.88	(\$20.59)	\$35.70	\$73.55	\$1,299.34
AUG	4274	17440	\$1,104.30	(\$13.17)	\$32.73	\$67.43	\$1,191.29
SEP	4492	16560	\$1,048.58	(\$23.40)	\$30.78	\$63.36	\$1,119.30
OCT	4699	18960	\$1,200.55	(\$28.10)	\$35.17	\$72.48	\$1,280.08
NOV	4938	17280	\$1,094.17	(\$16.97)	\$32.32	\$68.57	\$1,178.09
DEC	5152	18480	\$1,170.15	(\$25.63)	\$34.34	\$70.73	\$1,249.59
JAN '93	5383	18840	\$1,180.28	(\$23.23)	\$34.71	\$71.51	\$1,283.27
FEB	5618	16640	\$1,053.64	(\$24.38)	\$30.88	\$63.81	\$1,123.74
MAR	5824	18560	\$1,175.22	(\$28.69)	\$34.48	\$70.98	\$1,253.97
APR	6058	17840	\$1,129.63	(\$20.67)	\$33.28	\$68.52	\$1,210.54
MAY	6279	17680	\$1,113.49	(\$22.01)	\$32.74	\$67.45	\$1,191.67
JUN	6500	18080	\$1,138.88	(\$10.07)	\$33.88	\$69.75	\$1,232.22
JUL	6726	20320	\$1,279.75	(\$15.93)	\$37.91	\$78.10	\$1,379.83
AUG	6980	20580	\$1,294.87	(\$19.28)	\$38.27	\$78.63	\$1,362.68
SEP	7237						

\$35,588.63

(\$537.13) \$1,081.53 \$2,227.99

TOTAL UNDERCHARGE

\$39,391.22

EXHIBIT A

<u>DATE DUE</u>	<u>AMOUNT</u>	<u>DATE PAID</u>
November 15, 1993	\$1,125.00	_____
December 15, 1993	\$1,125.00	_____
January 15, 1994	\$1,125.00	_____
February 15, 1994	\$1,125.00	_____
March 15, 1994	\$1,125.00	_____
April 15, 1994	\$1,125.00	_____
May 15, 1994	\$1,125.00	_____
June 15, 1994	\$1,125.00	_____
July 15, 1994	\$1,125.00	_____
August 15, 1994	\$1,125.00	_____
September 15, 1994	\$1,125.00	_____
October 15, 1994	\$1,125.00	_____
November 15, 1994	\$1,125.00	_____
December 15, 1994	\$1,125.00	_____
January 15, 1995	\$1,125.00	_____
February 15, 1995	\$1,125.00	_____
March 15, 1995	\$1,125.00	_____
April 15, 1995	\$1,125.00	_____
May 15, 1995	\$1,125.00	_____
June 15, 1995	\$1,125.00	_____
July 15, 1995	\$1,125.00	_____
August 15, 1995	\$1,125.00	_____
September 15, 1995	\$1,125.00	_____
October 15, 1995	\$1,125.00	_____
November 15, 1995	\$1,125.00	_____
December 15, 1995	\$1,125.00	_____
January 15, 1996	\$1,125.00	_____
February 15, 1996	\$1,125.00	_____
March 15, 1996	\$1,125.00	_____
April 15, 1996	\$1,125.00	_____
May 15, 1996	\$1,125.00	_____
June 15, 1996	\$1,125.00	_____
July 15, 1996	\$1,125.00	_____
August 15, 1996	\$1,125.00	_____
September 15, 1996	\$1,111.22	_____



Grayson Rural Electric Cooperative Corporation

109 Bagby Park ♦ Grayson, Kentucky 41143-1292
Telephone: 606-474-5138 ♦ 1-800-562-3532 ♦ Fax: 606-474-5862

October 20, 1993

Mr. Charles G. Greenhill
Waggoner Oil Company, Inc.
P. O. Box 700
Olive Hill, KY 41164

Re: Waggoner Oil Company
A/C 1500045504

Dear Mr. Greenhill:

As of this date, we have not heard from you regarding the underbilling situation at Waggoner Oil Company which was brought to your attention at our meeting on October 1, 1993.

The problem occurred from October 18, 1990 through September 28, 1993, and was caused by a broken potential wire going to the meter resulting in the meter registering one-half of the actual usage. We have calculated the underbilling amount to be \$39,361.22, as shown on the enclosed worksheet.

807 KAR 5:006, Section 10 (2) of the Public Service Commission Rules & Regulations states that a utility shall not require customer repayment of any underbilling to be made over a period shorter than a period cointensive with the underbilling. Since the underbilling of \$39,361.22 is for a period of 35 months, we have divided the amount due into thirty-four (34) equal payments of \$1,125.00 with the final payment of \$1,111.22 due in the thirty-fifth month.

Unless we hear from you or your attorney by Wednesday, October 27, the first adjustment in the amount of \$1,125.00 will appear on the billing card you receive around November 1, 1993. If this amount is not paid, in addition to your current usage, you will receive a ten (10) days' written notice of intent to terminate as per 807 KAR 5:006, Section 14 (f) (1).

You will find enclosed the following documents for your reference and response:

- (1) Worksheet showing undercharges for the period of October 18, 1990 through September, 1993
- (2) Contract for the repayment of the underbilling
- (3) Contract payment schedule

Owned by those we serve.

EXHIBIT B

Charles G. Greenhill
Waggoner Oil Company, Inc.
October 20, 1993
Page 2

Due to the increased KW demand, Waggoner Oil is now classified as a large power customer as per Schedule 4 of our Tariff filed with the Public Service Commission. Enclosed is a contract, "Agreement for Electric Service", which you need to sign and return as soon as possible.

I look forward to hearing from you as soon as possible so that we may get this matter resolved.

Sincerely,

CRAYSON HIRAL ELECTRIC
COOPERATIVE CORPORATION


Wayne D. Carmony
General Manager

bjl

Enclosures

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

**109 BAGBY PARK
GRAYSON KY 41143**

Phone 474-5136 or 1-800-562-3532

I, Waggoner Oil Company, Inc. & Charles G. Greenhill, Po Box 700 Olive Hill, KY 41164, account number 1500045504, agree to pay over the following months the past due amount of \$39,361.22. This will be paid at \$1,125.00 for thirty-four (34) months and one (1) month at \$1,111.22, to be paid in addition to my current monthly bill. (See attached payment schedule)

I further agree that if I do not meet the obligations of this contract, my electric service can be terminated without further notice. It is further understood that this agreement in no way impairs or prejudices the Cooperative's right to pursue legal recourse to collect this debt.

Name of Member

Date Contract Signed

Authorized Cooperative Representative

Date Contract Signed

AGREEMENT FOR ELECTRIC SERVICE

THIS AGREEMENT entered into this 1st day of October, 1955 by and between the ORAYSON HUNAL ELECTRIC COOPERATIVE CORPORATION, hereinafter called the SELLER and WAGGONER, J. L. COMPANY, INC. 1400 CHILLING RD. GREENHILL, or his heirs, successors, or assigns, hereinafter called the CUSTOMER.

WITNESSETH:

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto mutually agree as follows:

The Seller agrees to furnish and the Customer agrees to take electric energy under the terms of this Agreement for a period of 1 years from the time such service is commenced, and thereafter in successive periods of not less than 1 year each until either party shall give the other not less than 10 days notice in writing of his or its election to discontinue the service at the expiration of any said period, except as set out in the Seller's rules and regulations regarding discontinuance of service for nonpayment of bills, illegal or fraudulent use of service or hazardous conditions of use. The date that service shall be deemed to have commenced under this Agreement shall be 1st of October, 1955.

The electric energy delivered hereunder shall be alternating current at approximately 120/240 volts, three wire single phase, and it shall be delivered at Happy, West, Truck Stop, Pleasant Valley, Wayne, Miss., 3936, which shall constitute the point of delivery under this agreement.

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of seller, the Seller shall not be liable therefore or for damages caused thereby.

The electric power and energy delivered under this Agreement shall be measured by a meter or meters owned and installed by the Seller and located at the point of delivery.

The reservation of capacity contracted for by Customer under the rate schedule named herein is hereby fixed at 100 KW.

The Customer hereby agrees to pay the Seller monthly for electric power and energy delivered hereunder at the rate and under the provisions of Seller's rate schedule 1 as regularly filed with the Public Service Commission of Kentucky during the period said Rate Schedule is in effect; and in the event said Rate Schedule is replaced by a new or revised Rate Schedule incorporating higher or lower rates than those stipulated in the aforementioned Rate Schedule, the Seller shall continue to furnish service as stipulated in the Agreement and the Customer shall pay for such service at the higher or lower rates from and after the date when such rates are made effective, to include any appropriate adjustment to the below stated minimum monthly charge. The Customer further agrees to comply with all rules and regulations of the Seller as have been and shall be adopted by the Seller's Board of Directors and approved by the Public Service Commission of Kentucky.

Notwithstanding any provision of the Rate Schedule herein above mentioned, and irrespective of the Customer's requirements for or use of electric power and energy, the Customer shall pay to the Seller not less than \$5.00 per month for having electric service available.

The Customer shall install only electrical equipment that is suitable for operation with the character of the service provided by the Seller. The Customer shall install at his expense meter controls and protective equipment as required to start, operate and protect all electrical equipment of the Customer, and any current disturbances caused fluctuations or disturbances in the Seller's distribution system. The Seller shall be the sole judge as to whether the operation of the Customer's electrical equipment is detrimental to the Seller's distribution system. In case of violation of these stipulations, service may at any time be discontinued by the Seller until such time as the Customer's use of the electric energy furnished hereunder shall not cause detrimental voltage fluctuations or disturbances. The Customer also specifically agrees to protect its own motor or equipment from voltage sags, dips, spikes, or opening of a single

There are no unwritten understandings or agreements relating to the service herein above provided.

This Agreement cancels and supercedes all previous Agreements relating to the purchase by Customer and Sale by Seller of electric energy at Customer's premises as referred above.

This Agreement shall be in full force effect when signed by authorized representatives of the parties hereto.

DRAYTON RURAL ELECTRIC
COOPERATIVE CORPORATION
(seller)

Waggoner, Cal. Company, Inc.
(customer)

By: _____

By: _____

Title: _____

Title: _____